

Mr. Barry Wood
Assessment Director
Department of Local Government
100 N Senate Ave
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Indianapolis, IN 46204

Re: Submittal of Hamilton County Ratio & Equalization Study 2011 pay 2012

The attached excel files depict our ratio statistics per township and by property classes. The first sheet is a summary of each Township's parcel count, COD, PRD, and Median. The additional sheets are by Township with detailed data.

We are submitting our 2011 pay 2012 worksheet values of all parcels for the County in the format you directed. We are also attaching an excel file of 2010 & 2011 sale parcels that were changed and the reason they were changed.

We collapsed townships that are under the same purview of management. They are collapsed as follows: Noblesville, White River & Wayne, Jackson and Washington, Delaware and Fall Creek Townships. We have also collapsed all Townships' Agricultural improved. We collapsed all commercial and industrial property classes to arrive at a sufficient sample size for those townships with to few sales to analyze.

Hamilton County completed our trending in house with no outside vendor. The ratio and equalization was completed in house as well. Hamilton County utilizes SPSS software to run statistical analyses on all parcel data to ensure that we are assessing property within State guidelines.

Narrative of Hamilton County's trending procedures

Residential:

Hamilton County had sufficient 2010 and two months of 2011 sales in a majority of neighborhoods to trend residential properties for the 2011 pay 2012 tax year. There are some neighborhoods that did not have enough sales to establish trending factors. We combined neighborhoods where we could. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted base rates and or

excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2010 rates.

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. There is a notation in the header file of each township if it was a vacant or multiple parcel sales. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas. If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Reviewed any changes in neighborhoods that are adjacent to township lines to ensure all properties were being treated the same in those adjoining neighborhoods.

Commercial & Industrial:

In establishing values for 2011 commercial/industrial trending, the starting point used was the 2010 valuation. Our analysis showed the previous factor of 1.38 and the depreciation was still relevant. The 1.38 factor was arrived utilizing the Marshall and Swift Cost Manual's comparative cost multipliers. That factor was utilized in townships with a large number of commercial/industrial properties. Townships with few commercial/industrial properties were done by reviewing the sales in the neighborhoods and adjusting as needed. After adjusting the improvement value by said factor and depreciation, the land values were reviewed and adjusted where needed based upon sales information. Certain commercial/industrial neighborhoods and use types required individual review and adjustment. Comparing the 2010 assessed values to actual sales, along with reviewing income and expenses data, appraisals and other appeal information was instrumental in dictating the 2011 values. A major help in this year's trending was the information received and researched in the appeal process for 2008, 2009 and 2010 trending. This data supplied our income, expense and cap rate data. Reality rates, Integra and RERC real estate report were used to help establish valid cap rates. Web sites, such as Loopnet and Co-Star, were used to help arrive at current leasing information and cap rate information in the area or for like use types where no information was available in the county. The above appeal information, helped us with a more working knowledge of market data versus a purely cost approach mentality.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: 115,332

There were new parcels created by either the 78 new plats or the 132 splits recorded.
There were 277 parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for 2010 and two months of 2011:
9,064

Total number of 2010 & 2months of 2010 used: 5,336

Total number of sales that were validated used in ratio: 6,539

Any questions, please contact myself or Kim Powell.

Sincerely,

Robin Ward
Hamilton County Assessor
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